

## MISCELLANEOUS APPROPRIATIONS

| Budget Summary |                              |                     |                        |                        |                   |  |         |
|----------------|------------------------------|---------------------|------------------------|------------------------|-------------------|--|---------|
| Fund           | 2018-19 Base<br>Year Doubled | 2019-21<br>Governor | 2019-21<br>Jt. Finance | 2019-21<br>Legislature | 2019-21<br>Act 9  | Act 9 Change Over<br>Base Year Doubled |         |
|                |                              |                     |                        |                        |                   | Amount                                 | Percent |
| GPR            | \$241,783,200                | \$273,627,200       | \$293,471,000          | \$293,471,000          | \$293,471,000     | \$51,687,800                           | 21.4%   |
| PR             | 42,000,000                   | 25,000,000          | 25,000,000             | 25,000,000             | 25,000,000        | - 17,000,000                           | - 40.5  |
| SEG            | <u>61,423,600</u>            | <u>74,445,000</u>   | <u>62,224,100</u>      | <u>62,224,100</u>      | <u>62,224,100</u> | <u>800,500</u>                         | 1.3     |
| TOTAL          | \$345,206,800                | \$373,072,200       | \$380,695,100          | \$380,695,100          | \$380,695,100     | \$35,488,300                           | 10.3%   |

| FTE Position Summary  |
|---|
| There are no authorized positions for Miscellaneous Appropriations. |

### Budget Change Items

- 1. VOLKSWAGEN SETTLEMENT DISTRIBUTIONS** [LFB PR - \$17,000,000  
Paper 505]

**Governor:** Reestimate Volkswagen settlement funds by \$4,000,000 in 2019-20 and by -\$21,000,000 in 2020-21. Under the bill, Volkswagen settlement funds would be budgeted at \$25,000,000 in 2019-20 and \$0 in 2020-21. Although the provision would modify budgeted settlement expenditures in the biennium, total settlement revenues available to the state are not anticipated to change. Further, the Department of Administration (DOA) would retain the authority to expend all monies received from the settlement trustee for purposes specified by statutes and the settlement.

Expand the authorized use of funds under DOA's transit capital assistance grant program for the replacement of public transit vehicles to also include the installation of charging stations for electric vehicles. Specify that DOA allocate 60% of available grant funding for replacement of public transit vehicles, and 40% for installation of charging stations for electric vehicles. Provide that the DOA Secretary may adjust the allocation if necessary. Repeal the restriction that DOA provide no more than \$32 million in transit capital assistance grants.

Repeal the requirement that use of Volkswagen settlement funds for replacement of state

fleet vehicles take precedence over transit capital assistance grants. Further, repeal the provision allowing the DOA Secretary to lapse to the general fund any GPR or PR amounts saved by state agencies in their replacement of state fleet vehicles. Finally, repeal the restriction that no more than \$21 million of Volkswagen settlement funds be expended in 2017-18.

Modify the percentage reduction in county and municipal aid payments, from 75% to 20%, that is required for each county or municipality that receives a Volkswagen transit capital assistance grant for an urban mass transit system serving a population exceeding 200,000 (Milwaukee County and Madison). The 20% reduction is the same amount required for urban mass transit systems serving populations between 50,000 and 200,000. [See "Shared Revenue and Tax Relief -- Direct Aid Payments."]

**Joint Finance/Legislature:** Delete the Governor's recommendation. Instead, provide the same level of Volkswagen settlement funding as in the Governor's bill (\$25,000,000 in 2019-20 and \$0 in 2020-21) but require DOA to allocate \$3,000,000 in settlement funding to award grants to school districts for the replacement of eligible school buses. Repeal the restriction that DOA provide no more than \$32,000,000 in transit capital assistance grants. The balance of the Volkswagen settlement funding remaining in the appropriation after the \$3,000,000 school bus allocation could be awarded for the replacement of eligible vehicles in the state fleet (as approved in the 2017-19 budget) and for grants under the transit capital grant program for the replacement of eligible transit vehicles. The balance of settlement funding would include the remaining \$22,000,000 appropriated under the bill, plus any settlement funds remaining at the end of the 2017-19 biennium.

Require DOA to establish a school bus replacement grant program to award grants of settlement funds from the appropriation to school boards for the replacement of school buses owned and operated by the school boards with energy-efficient school buses, including school buses that use alternative fuels. Allow any school board to apply for a grant under the program. Specify that as a condition of receiving a grant, the school board must provide matching funds equal to the amount of the grant award. Provide that a school board may use settlement funds awarded only for the payment of costs incurred by the school board to replace school buses in accordance with the settlement guidelines.

**Veto by Governor [C-34]:** Modify the statutory language that created the school bus replacement program to: (a) delete the school bus replacement program and related provisions; (b) delete the requirement that DOA allocate \$3,000,000 in settlement funding to award grants to the school bus replacement program; and (c) create a requirement that DOA establish a program to award grants of Volkswagen settlement funds from the settlement funds appropriation for alternative fuels. In the veto message, the Governor directs DOA "to allocate up to \$10,000,000 of the settlement funds to this revised grant program for electric vehicle charging stations, and at least \$15,000,000 for the transit capital assistance grant program under s. 16.047(4m)."

[Act 9 Sections: 55, 55c, and 292]

[Act 9 Vetoed Sections: 55c (as it relates to school bus replacement grants) and 9101(2i)]

**2. GENERAL FUND SUPPLEMENT TO THE VETERANS TRUST FUND [LFB Paper 770]**

|     | <b>Governor<br/>(Chg. to Base)</b> | <b>Jt. Finance/Leg.<br/>(Chg. to Gov)</b> | <b>Net Change</b> |
|-----|------------------------------------|---|-------------------|
| GPR | \$15,800,000                       | \$13,800,000                              | \$29,600,000      |

**Governor:** Provide \$15,800,000 in 2020-21 to reflect the administration's estimate of the GPR funding that would be transferred to the veterans trust fund (VTF) to maintain a positive balance in that fund through the 2019-21 biennium under the bill. [See the entry under "Veterans Affairs" for statutory changes.]

**Joint Finance/Legislature:** Increase funding by \$13,800,000 in 2019-20 to reflect that GPR transfers to the VTF would begin in 2019-20.

**3. TRANSFERS TO THE CONSERVATION FUND [LFB Paper 521]**

|     | <b>Governor<br/>(Chg. to Base)</b> | <b>Jt. Finance/Leg.<br/>(Chg. to Gov)</b> | <b>Net Change</b> |
|-----|------------------------------------|---|-------------------|
| SEG | \$13,021,400                       | - \$12,220,900                            | \$800,500         |

**Governor:** Reestimate the revenue transferred from the transportation fund to the all-terrain vehicle (ATVs and utility terrain vehicles), snowmobile, and water resources (motorboats) accounts of the segregated conservation fund under the recreational vehicle fuel tax formulas. The following table shows base amounts for the motorboat, snowmobile, ATV, and UTV formula transfers, and annual reestimates for each under the Governor's proposal.

**Recreational Vehicle Motor Fuel Tax Transfers (Governor)**

|            | <u>Base</u>    | <u>2019-20</u> |                | <u>2020-21</u> |                |
|------------|----------------|----------------|----------------|----------------|----------------|
|            |                | <u>Change</u>  | <u>Total</u>   | <u>Change</u>  | <u>Total</u>   |
| Motorboats | \$13,140,000   | \$2,664,000    | \$15,804,000   | \$3,840,000    | \$16,980,000   |
| Snowmobile | 4,670,000      | 1,643,000      | 6,313,000      | 1,965,000      | 6,635,000      |
| ATVs       | 1,931,000      | 1,115,800      | 3,046,800      | 1,345,600      | 3,276,600      |
| UTVs       | <u>351,500</u> | <u>203,100</u> | <u>554,600</u> | <u>244,900</u> | <u>596,400</u> |
| Total      | \$20,092,500   | \$5,625,900    | \$25,718,400   | \$7,395,500    | \$27,488,000   |

By statute, transfers are based on the fuel tax rate and the number of registered recreational vehicles as of certain dates in the preceding fiscal year. These reestimates are intended to account for increases in the motor fuel tax recommended by the Governor.

**Joint Finance/Legislature:** Reestimate transfers from the transportation fund to reflect estimated changes in vehicle registrations under the current motor fuel tax rate. The following

table shows base amounts for the motorboat, snowmobile, ATV, and UTV formula transfers, and annual reestimates for each.

### Recreational Vehicle Motor Fuel Tax Transfers (Act 9)

|                | <u>Base</u>    | <u>Change to Base</u> | <u>Change to Bill</u> | <u>Total</u>   |
|----------------|----------------|-----------------------|-----------------------|----------------|
| <b>2019-20</b> |                |                       |                       |                |
| Motorboats     | \$13,140,000   | -\$80,500             | -\$2,744,500          | \$13,059,500   |
| Snowmobile     | 4,670,000      | 578,300               | -1,064,700            | 5,248,300      |
| ATVs           | 1,931,000      | -56,800               | -1,172,600            | 1,874,200      |
| UTVs           | <u>351,500</u> | <u>182,900</u>        | <u>-20,200</u>        | <u>534,400</u> |
| Total          | \$20,092,500   | \$623,900             | -\$5,002,000          | \$20,716,400   |
| <b>2020-21</b> |                |                       |                       |                |
| Motorboats     | \$13,140,000   | -\$188,700            | -\$4,028,700          | \$12,951,300   |
| Snowmobile     | 4,670,000      | 239,200               | -1,725,800            | 4,909,200      |
| ATVs           | 1,931,000      | -56,800               | -1,402,400            | 1,874,200      |
| UTVs           | <u>351,500</u> | <u>182,900</u>        | <u>-62,000</u>        | <u>534,400</u> |
| Total          | \$20,092,500   | \$176,600             | -\$7,218,900          | \$20,269,100   |

#### 4. OFF-HIGHWAY MOTORCYCLE TRANSFER TO THE CONSERVATION FUND [LFB Paper 522]

|     |           |
|-----|-----------|
| GPR | \$155,800 |
|-----|-----------|

**Joint Finance/Legislature:** Create a GPR transfer to the conservation fund equal to the value of off-highway motorcycle (OHM) registration fees deposited in the transportation fund. Estimate the value of the transfer at \$60,100 in each year of the 2019-21 biennium. Further, transfer \$35,600 in 2019-20 to reflect the amount lapsed from the OHM program in 2017-18.

The OHM trail program was created under 2015 Wisconsin Act 170 with funding from a sum-sufficient GPR appropriation budgeted under the Department of Natural Resources (DNR) and determined by the fees received from OHMs registered in the state, which are generally \$30 per vehicle for public use. The adjusted base is \$43,000 and is reestimated by \$17,100 in each year of the biennium under the provision. As a sum-sufficient appropriation, the unencumbered balance at the end of each fiscal year lapses to the general fund. In 2017-18, the first year funding was appropriated for the OHM program, DNR expended \$5,900 and lapsed \$35,600. The provision transfers this amount in 2019-20 to reflect the lapsed value. The provision also repeals the existing sum-sufficient GPR appropriation under DNR and budgets the transfer under "Miscellaneous Appropriations." A corresponding provision in DNR appropriates an equal amount as conservation SEG for OHM project or enforcement aids and DNR administrative activities. [See "Natural Resources -- Conservation and Recreation."]

[Act 9 Sections: 291m and 9244(3z)]

#### 5. OIL PIPELINE TERMINAL TAX DISTRIBUTION

|     |             |
|-----|-------------|
| GPR | \$1,834,700 |
|-----|-------------|

**Governor/Legislature:** Increase estimated payments by \$886,100 in 2019-20 and \$948,600 in 2020-21. With these increases, oil pipeline terminal tax payments would equal \$6,386,100 in

2019-20 and \$6,448,600 in 2020-21, relative to base level funding of \$5,500,000. The oil pipeline terminal tax distribution provides payments to municipalities where oil pipeline terminal facilities are located. The payment equals a proportionate share of the pipeline company's state tax payment based on the terminal facility's cost as a percentage of the gross book value of the pipeline company in Wisconsin.

**6. DISASTER DAMAGE AIDS TRANSFER TO TRANSPORTATION FUND**

|     |         |
|-----|---------|
| GPR | \$1,400 |
|-----|---------|

**Governor/Legislature:** Make the following changes to the disaster damage aids transfer appropriation: (a) a decrease of \$499,300 in 2019-20 to reflect the removal of first-year funding from the base; and (b) an increase of \$500,700 in 2020-21 to reflect an increase in the estimated amount needed to fund disaster claims during the 2019-21 biennium.

2013 Wisconsin Act 20 established a GPR sum-sufficient appropriation to fund a transfer to the transportation fund in the second year of the biennium equal to the amount of disaster aid payments made during the biennium in excess of \$1,000,000 for any single disaster event. Although the funding is only needed in the second year of each biennium, this funding is automatically included in the base funding for the first and second years of the next biennium. As a result, the first year of funding has to be removed during the biennial budget process. The current base level is \$499,300. The provision removes the 2019-20 base funding amount and funds the estimated transfer at \$1,000,000 (\$499,300 base funding plus a \$500,700 increase) in 2020-21.

**7. MARQUETTE DENTAL SCHOOL DEBT SERVICE REESTIMATE**

|     |             |
|-----|-------------|
| GPR | - \$130,100 |
|-----|-------------|

**Governor/Legislature:** Reestimate funding by \$80,200 in 2019-20 and -\$210,300 in 2020-21 for debt service costs on state general obligation bonds and commercial paper debt issued to fund a portion of the dental and education facility for the Marquette Dental School. Budgeted debt service costs associated with bonds issued for the school are \$2,369,300 in 2019-20 and \$2,078,800 in 2020-21.

## Other Miscellaneous Appropriation Changes

The description and fiscal effect of miscellaneous appropriation changes relating to Illinois-Wisconsin income tax reciprocity and interest on overpayment of taxes are summarized under "General Fund Taxes -- Refundable Tax Credits and Payments."